

Bill No. SB 1478

Barcode 360836

Proposed Committee Substitute by the Committee on Banking and  
Insurance

1                                   A bill to be entitled  
2           An act relating to public records and meetings;  
3           creating s. 627.06292, F.S.; exempting from  
4           public-records requirements reports of  
5           hurricane loss and exposure data which are  
6           specific to an insurance company and reported  
7           by insurers or rating organizations to the  
8           Office of Insurance Regulation or to a state  
9           university for purposes of developing a public  
10          hurricane loss projection model; providing for  
11          future legislative review and repeal under the  
12          Open Government Sunset Review Act; providing  
13          findings of public necessity; amending s.  
14          627.0628, F.S.; exempting from public-records  
15          and public-meetings requirements proprietary  
16          information used in designing and constructing  
17          a hurricane loss model that is a trade secret,  
18          which information is provided to the Florida  
19          Commission on Hurricane Loss Projection  
20          Methodology, the Office of Insurance  
21          Regulation, or the consumer advocate; providing  
22          for future legislative review and repeal under  
23          the Open Government Sunset Review Act;  
24          providing findings of public necessity;  
25          providing contingent effective dates.

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27 Be It Enacted by the Legislature of the State of Florida:

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29           Section 1. Section 627.06292, Florida Statutes, is  
30 created to read:

31           627.06292 Hurricane loss models; public records

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1 exemption.--Reports of hurricane loss data and associated  
2 exposure data which are specific to a particular insurance  
3 company, as reported by an insurer or a licensed rating  
4 organization to the office or to a type I center at a state  
5 university pursuant to s. 627.06291, are exempt from s.  
6 119.07(1) and s. 24(a), Art. I of the State Constitution. This  
7 section is subject to the Open Government Sunset Review Act of  
8 1995 in accordance with s. 119.15, and shall stand repealed on  
9 October 2, 2009, unless reviewed and saved from repeal through  
10 reenactment by the Legislature.

11       Section 2. The Legislature finds and declares that it  
12 is a public necessity to make reports of hurricane loss data  
13 and associated exposure data which are specific to a  
14 particular insurance company exempt from section 119.07(1),  
15 Florida Statutes, and Section 24(a), Article I of the State  
16 Constitution in order that proprietary information and trade  
17 secrets of an insurer be protected. The Legislature finds that  
18 revealing such information could substantially harm insurers  
19 in the insurance market and give competitor insurers an unfair  
20 economic advantage. Loss exposure data of an insurer includes  
21 the type and location of properties insured by an insurer and  
22 this information is of value to an insurer and would provide a  
23 competitive advantage if disclosed to another insurer.  
24 Information concerning the hurricane losses that are paid by  
25 an insurer for specific types and locations of homes is  
26 proprietary in nature and could promote litigation and result  
27 in direct economic harm to the insurer.

28       Section 3. Paragraph (e) is added to subsection (3) of  
29 section 627.0628, Florida Statutes, to read:

30       627.0628 Florida Commission on Hurricane Loss  
31 Projection Methodology.--

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1           (3)   ADOPTION AND EFFECT OF STANDARDS AND GUIDELINES.--

2           (e)1. Any proprietary information used in designing  
3 and constructing a hurricane loss model that is a trade  
4 secret, as defined in s. 812.081, which information is  
5 provided pursuant to this section by a private company to the  
6 commission, office, or consumer advocate appointed pursuant to  
7 s. 627.0613, is exempt from s. 119.07(1) and s. 24(a), Art. I  
8 of the State Constitution.

9           2. That portion of a meeting of the commission or of a  
10 rate proceeding on an insurer's rate filing at which  
11 information made confidential and exempt by this paragraph is  
12 discussed is exempt from s. 286.011 and s. 24(b), Art. I of  
13 the State Constitution.

14           3. This paragraph is subject to the Open Government  
15 Sunset Review Act of 1995 in accordance with s. 119.15, and  
16 shall stand repealed on October 2, 2009, unless reviewed and  
17 saved from repeal through reenactment by the Legislature.

18           Section 4. The Legislature finds and declares that it  
19 is a public necessity to make proprietary information used in  
20 the design and construction of hurricane loss models that are  
21 trade secrets exempt from the public-records and  
22 public-meetings requirements of this state because disclosing  
23 such information would negatively impact the business  
24 interests of a private company that has invested substantial  
25 economic resources in developing the model, and competitor  
26 companies would gain an unfair competitive advantage if  
27 provided access to such information. Reliable projections of  
28 hurricane losses are necessary in order to ensure that rates  
29 for residential property insurance meet the statutory  
30 requirement that rates be neither excessive or inadequate.  
31 This goal is served by enabling the Commission on Hurricane

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1 Loss Projection Methodology, the Office of Insurance  
2 Regulation, and the consumer advocate appointed pursuant to  
3 section 627.0613, Florida Statutes, to have access to all  
4 aspects of hurricane loss models, and encouraging private  
5 companies to submit such models to the commission, office, and  
6 consumer advocate for review without concern that proprietary  
7 information or trade secrets will be disclosed. In addition,  
8 without protecting such information during meetings or  
9 proceedings at which the information is discussed, competitors  
10 and other persons could attend those meetings and discover the  
11 proprietary information or trade secrets.

12       Section 5. Sections 1 and 2 of this act shall take  
13 effect on the same date that CS for Senate Bill 1488 or  
14 similar legislation takes effect requiring insurers to report  
15 hurricane loss and exposure data to the Office of Insurance  
16 Regulation or to a public university for developing a  
17 hurricane loss model, if such legislation is adopted in the  
18 same legislative session or an extension thereof and becomes  
19 law, and sections 3 and 4 of this act shall take effect on the  
20 same date that CS for Senate Bill 1488 or similar legislation  
21 takes effect, providing for the Office of Insurance Regulation  
22 and the consumer advocate appointed pursuant to section  
23 627.0613, Florida Statutes, to have access to assumptions used  
24 in privately owned hurricane loss models, if such legislation  
25 is adopted in the same legislative session or an extension  
26 thereof and becomes law.

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